

Briefing

Nursing Council: Changes to OSCE, distribution of new nurses, and New Zealand as a potential stepping stone to Australia

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To:	Hon Dr Shane Reti, Minister of Health		
Consulted:	Health New Zealand: <input checked="" type="checkbox"/> Māori Health Authority: <input checked="" type="checkbox"/>		

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Minister's office to complete:

- | | | |
|---|------------------------------------|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Decline | <input type="checkbox"/> Noted |
| <input type="checkbox"/> Needs change | <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn | |

Comment:

Nursing Council: Changes to OSCE, distribution of new nurses, and New Zealand as a potential stepping stone to Australia

Security level: IN CONFIDENCE **Date:** 19 January 2024

To: Hon Dr Shane Reti, Minister of Health

Purpose of report

1. This briefing provides you with requested information about objective structured clinical examinations (OSCEs), the national distribution of new registered nurses, and New Zealand as a potential stepping stone to Australia for internationally qualified nurses (IQNs).

Recommendations

We recommend you:

- a) **Note** the appropriateness and potential benefits of the change from CAPs to OSCEs, and that the Ministry and Health New Zealand have not identified any current significant risks with this change. **Yes/No**
- b) **Note** that the Ministry and Health New Zealand will continue to work with the Council to improve the available nurse workforce data. **Yes/No**
- c) **Note** we do not recommend intervening with regulatory settings to disincentivise IQNs using the TTMRA to gain registration in Australia. **Yes/No**



Robyn Shearer
**Deputy Director-General
Clinical, Community and Mental Health |
Te Pou Whakakaha**

Date: 18 January 2023

Hon Dr Shane Reti
Minister of Health

Date:



Andrew Slater

Chief People Officer

Health New Zealand | Te Whatu Ora

Date: 18 January 2023

Background

2. Under the Health Practitioners Competence Assurance Act 2003 (the Act), the Nursing Council of New Zealand (the Council) is responsible for accrediting and monitoring programmes for nursing registration in New Zealand, as well as supplying annual registration data to the Director-General of Health for the purpose of supporting the Ministry's responsibilities for workforce planning and development.
3. On 4 December 2023, the Council gazetted new competence assessment requirements for Internationally Qualified Nurses (IQNs) from a Competency Assessment Programme (CAP) to an OSCE. Advice was provided to your office on 20 December 2023 (H2023033981) about the potential benefits, limitations and risks associated with this.
4. According to the Council's registration data, IQNs have contributed to significant growth in New Zealand's registered nursing workforce, representing 40.7% of all nurses with annual practising certificates (APCs) as of 30 September 2023. This is a significant increase in proportion from 32% in 2022, 24% in 2011, and 15% in 2002.
5. While the increased registration numbers of IQNs may help to address the short-term workforce shortages in New Zealand, growing our domestic workforce remains a priority, to ensure we meet the longstanding need for better workforce representation of, and responsiveness to, our communities.

Shifting from the CAP to an OSCE for IQNs

Rationale for shifting to an OSCE

6. While CAP benefits include high pass rates, an immersive introduction to New Zealand and the ability to offer tailored support to IQNs, there are some limitations. These include difficulties in accessing a CAP, longer timeframes to gain registration¹, higher costs for the IQN and/or sponsoring employer, less objective assessment of competence, and programme variability.
7. The Council has stated that a key reason for moving away from CAPs as an assessment tool is to update its approach to IQN assessment in line with international evidence, and to enable a more objective and robust assessment of competence.

¹ In 2022, the Council reported the median timeframe for IQN applicants required to complete a CAP was 44 weeks (308 days).

8. The full range of benefits and limitations of the Council's OSCE and new assessment model are currently unknown as the new model has not yet been fully implemented. The Council has indicated that the fees set will be affordable for applicants.
9. Potential benefits of the OSCE include that the process is more robust in terms of protecting the safety of the public, shorter timeframes to gain registration, lower costs for the IQN and/or sponsoring employer, and reduced variability in competency assessment. OSCEs generally include the ability to be more precise, objective, and reproducible. This enables uniform testing that may be more fair and legally defensible.
10. Potential limitations of the OSCE include lower pass rates, limited immersive exposure to the New Zealand context, and there may be disadvantages for IQNs and sponsoring employers if an IQN is unable to pass the OSCE on their first attempt.
11. The Council is yet to release a detailed implementation plan but have indicated that there will be an 18-month transition period where the new competence examination processes will be implemented, alongside the existing CAPs that are on offer.
12. As the benefits and limitations will not be known until the Council's new assessment model is implemented, we are working with the Council to monitor for potential impacts, including to employers (ie, recruitment of IQNs to New Zealand and registration and processing timeframes) and unintended barriers or consequences for IQNs or the public.
13. Overall, we believe the change to OSCEs is appropriate and may be helpful in terms of reducing the costs associated with sponsoring and recruiting IQNs.

Concerns about implementing the OSCE

14. The Council has not provided a detailed transition plan for how and when the OSCE and new assessment model will be introduced, including plans for how existing CAPs will be phased out. The Council's new assessment model is complex and may be challenging to implement while also managing record numbers of IQN applications.
15. The more limited immersive component to the Council's new assessment process may mean employers become more responsible for providing intensive support to help IQNs adapt to the New Zealand context. We understand many employers have taken steps to address this and are working to develop and improve existing orientation packages.

Distribution of IQNs and domestic nurses in New Zealand

The information available is limited and requires careful interpretation

16. There is no data available that provides a real-time, precise, and whole-of-system picture of the employment destination of nurses who have recently gained the registration in New Zealand. This includes domestically and internationally qualified nurses.
17. The best whole-of-system information available is collected by the Council via an annual practising certificate (APC) questionnaire. This includes information about an individual nurse's main practice setting and employer. There are various limitations associated with this information that affects interpretation, especially as not every nurse who holds an APC is working as a nurse in New Zealand.
18. While section 134A of the Act only requires the Council's data to be supplied annually, the Ministry and Health New Zealand are working with the Council to explore if this data

could be supplied quarterly. This would help improve timely access to this information. We are also working with the Council to improve the type of information gathered via the Council's APC questionnaire.

19. The Ministry and Health New Zealand are also working with the Australian Health Practitioner Regulation Agency (AHPRA) to obtain and analyse their data, which will help improve our understanding about the actual volumes of New Zealand-registered nurses who are working in Australia.

Main employer type, practice setting, and location of IQNs and domestic nurses

20. According to the Council's last supplied annual extract of registration data of newly registered nurses with APCs between 1 April 2022 and 31 March 2023:
 - a. The top main employment type reported by all new nurses (including IQNs and domestic nurses) was Health New Zealand (34%). While 'other' (36%) was more commonly reported, this category is unable to be analysed further to see which employers this includes. These figures exclude nurses who did not report a main employment type, which occurs as many nurses require an APC prior to receiving an offer of employment.
 - b. The top five main practice settings reported by all new nurses (including IQNs and domestic nurses) were: medical (17%), intensive care/cardiac care (13%), other (13%), surgical (11%), and continuing care/elderly (10%). These figures exclude nurses who did not report a main practice setting.
 - c. The top five main locations reported by all new nurses (including IQNs and domestic nurses) were Auckland (28%), Waikato (11%), Capital and Coast (10%), Canterbury (9%), and Southern (6%). These figures exclude nurses who did not report a main location.
21. More detailed data on employment type, practice settings, and location are provided in **Appendix 1**.

IQNs utilising New Zealand's registration pathway to gain registration in Australia.

22. Nurses, including IQNs, who hold registration with the Council can easily register and practise in Australia under the Trans-Tasman Mutual Recognition Arrangement (TTMRA). The TTMRA provides for the mutual recognition of regulatory standards of occupation and goods adopted under the Trans-Tasman Mutual Recognition Act 1997.
23. A verification (or letter) of good standing (VOGS) from the Council is required as part of this process, which provides the Australian nursing regulator with information about the professional standing of an individual nurse. The Council is required to provide a VOGS regardless of how long a nurse has practised in New Zealand and regardless of whether the nurse ever worked in New Zealand.
24. While available workforce data does not indicate where registered nurses are currently working or if they have left New Zealand, the number of VOGS the Council receives indicates the number of nurses who are looking to gain registration in other countries.
25. Of the total VOGS processed from July 2022 to August 2023 (n=7,544), the Council reported 80% were received from IQNs, with the majority of IQNs requesting VOGS to

be sent to the Australian health practitioner regulation agency (AHPRA). Additionally in July 2023, 61% (n=763) VOGS requested were submitted within less than one month of the IQN gaining registration with the Council, and 15% (n=184) were submitted within one month to six months of the IQN gaining registration.

Associated challenges and mitigations

26. The Council's VOGS data shows that significant volumes of IQNs consider applying for registration with Australia shortly after gaining registration in New Zealand. Evidence suggests many of these nurses will never gain employment in New Zealand.
27. Health New Zealand has reported there is no cost to Health New Zealand or the health and disability system for IQNs step-stoning to Australia without ever having practised in New Zealand. However, if the IQN did practise in New Zealand, there would be turnover costs for the employer associated with recruitment and orientation.
28. There could be an additional financial loss if an IQN had received financial support² to complete a CAP to become registered, or to relocate to New Zealand. From August 2022 to July 2023, 17% (n=786) of IQNs who had completed a CAP had also applied for a VOGS, indicating they were considering registration in another country.
29. However, CAP support payments are only paid after nurses have commenced work in New Zealand, and as discussed, the evidence suggest that not all IQNs who request a VOGS will gain employment in New Zealand.
30. AHPRA is also making some changes, including expanding the number of OSCE testing venues to accommodate testing of more IQNs, developing a pre-OSCE preparatory program, and consulting on new registration standards for IQNs. It is possible these changes may reduce the volumes of IQNs who are applying for registration via New Zealand to Australia. The impact of these changes is not yet known.
31. We would not recommend exploring a period of compulsory registration as a potential mitigation, as registration is not tied to employment in New Zealand. In general, health workforce regulatory settings do not present many opportunities to encourage long employment periods for IQNs. While more efficient or less costly registration pathways may make it easier for IQNs to gain registration, the opportunities to encourage registered IQNs to come and/or remain working in New Zealand sit with employers.
32. Under the Act, neither the Minister nor the Ministry have the authority or responsibility to determine the Council's regulatory processes/policies. You have agreed to receive further advice on the review of the Act including opportunities for improvements in health workforce regulation without legislation change [H2023032966 refers].

Next steps

33. The Ministry, Health New Zealand, and the Māori Health Authority will continue to work together with the Council to monitor and respond to all trends and emerging issues associated with IQNs and New Zealand.

² Up to \$10,000 in IQN CAP support and for IQNs employed by Health New Zealand, up to \$10,000 in relocation support.

34. The Ministry will also continue to meet with key nursing stakeholders in Australia and the wider Pacific to monitor and update you on these issues and can provide you with further advice at your request.

ENDS.

Appendix 1 – Employment destination and practice setting of nurses

Table 1: Main employment type of all new nurses with APCs – 1 April 2022 to 31 March 2023

Registration Data of all nurses with Annual Practising Certificates (APCs)			
<i>Done by Analytics and Forecasting team, National People Services, Te Whatu Ora – Health New Zealand</i>			
Newly Entered Nurses (first time having APC in between 1 Apr 2022 – 31 Mar 2023)			
Main Employment Type	Number of nurses first time obtained APC		
	Internationally Trained	New Zealand Trained	All
Not reported	717	1550	2267
DHB (acute)	1148	308	1456
DHB (community)	64	44	108
DHB (other)	245	60	305
Educational Institution	10	0	10
Government Agency (MOH, ACC, prisons, defence force, etc)	351	5	356
Maori Health Service Provider	4	8	12
Nursing Agency	63	1	64
Other (specify)	1947	13	1960
PHO	14	7	21
Pacific Health Service Provider	8	2	10
Primary Health Care (PHO/Community Service (non DHB)	128	47	175
Private Hospital	392	18	410
Rest Home/Residential Care	552	44	596
Rural	7	1	8
Self Employed	19	1	20
Grand Total	5669	2109	7778
Grand Total excluding undeclared employment type	4952	559	5511

Table 2: Main location of all new nurses with APCs – 1 April 2022 to 31 March 2023

Registration Data of all nurses with Annual Practising Certificates (APCs)			
<i>Done by Analytics and Forecasting team, National People Services, Te Whatu Ora – Health New Zealand</i>			
Newly Entered Nurses (first time having APC in between 1 Apr 2022 – 31 Mar 2023)			
Main Location	Number of nurses first time obtained APC		
	Internationally Trained	New Zealand Trained	All
Auckland	487	107	594
Bay of Plenty	83	18	101
Canterbury	98	80	178
Capital and Coast	160	40	200
Counties Manukau	69	38	107
Hawkes Bay	56	22	78
Hutt	33	7	40
Lakes	24	6	30
MidCentral	38	34	72
Nelson Marlborough	31	5	36
Northland	64	20	84
South Canterbury	7	3	10
Southern	93	41	134
Tairāwhiti	8	5	13
Taranaki	40	6	46
Waikato	166	58	224
Wairarapa	8	1	9
Waitemata	73	34	107
West Coast	5	5	10
Whanganui	6	10	16
Unknown/Unassigned	4120	1569	5689
Grand Total	5669	2109	7778
Grand total excluding undeclared location of work	1549	540	2089

Table 3: Main practice setting of all new nurses with APCs – 1 April 2022 to 31 March 2023

Registration Data of all nurses with Annual Practising Certificates (APCs)			
<i>Done by Analytics and Forecasting team, National People Services, Te Whatu Ora – Health New Zealand</i>			
Newly Entered Nurses (first time having APC in between 1 Apr 2022 – 31 Mar 2023)			
Main Practice Setting	Number of nurses first time obtained APC		
	Internationally trained nurses	New Zealand trained nurses	All nurses
Not reported	837	1575	2412
Addiction Services	3	2	5
Assessment & Rehabilitation	65	20	85
Cancer	53	4	57
Child Health, including Neonatology	174	36	210
Continuing Care (elderly)	482	39	521
District Nursing	23	8	31
Emergency & Trauma	375	24	399
Family Planning/Sexual Health	2	0	2
Intellectually Disabled	20	0	20
Intensive Care/Cardiac Care	698	22	720
Medical (including educating patients)	837	80	917
Mental Health (community)	25	21	46
Mental Health (inpatients)	80	43	123
Non-nursing health related management or administration	1	0	1
Not in paid employment	33	6	39
Nursing Administration and Management	29	0	29
Nursing Education	14	1	15
Nursing Professional Advice/Policy Development	2	0	2
Nursing Research	10	0	10
Obstetrics/Maternity	71	1	72
Occupational Health	3	0	3
Other (specify)	670	24	694
Other non-nursing paid employment	12	1	13
Palliative Care	24	6	30
Perioperative Care (Theatre)	397	32	429
Practice Nursing	82	30	112
Primary Health Care	89	35	124
Public Health	23	3	26
School Health	1	2	3
Surgical	520	92	612
Working in another health profession	14	1	15
Youth Health	0	1	1

Minister's Notes

PROACTIVELY RELEASED